

FRANCHISE DISCLOSURE DOCUMENT

THE PICKLR

Picklr Franchise Inc.
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Picklr Franchise Inc. is offering franchises for the use of the trademark “THE PICKLR” and related trademarks and service marks and logos (“**Marks**”) for the operation of a premier indoor pickleball facility and event center, including court reservations, leagues, tournaments, clinics, private/corporate events, pro shop, simple pre-packaged food and beverages (some facilities may sell alcoholic beverages) and sponsorships. (“**Picklr Franchise**”).

The Picklr redefines the indoor pickleball experience by cultivating connection, competition and pure fun. Picklr Facilities feature professional-grade surfacing and cutting-edge technology integration, packaged with an innovative membership-based business model. Whether your member is a novice or a seasoned pro, The Picklr's leagues, tournaments, and clinics offer opportunities for growth, camaraderie, and spirited competition.

The total investment necessary to begin operation of a single Picklr franchise is \$540,400 to \$1,178,300. This includes \$60,000 to \$62,000 that must be paid to the franchisor, or its affiliate(s).

The total investment necessary to begin operation of a three-unit Multi-Unit Development Agreement is \$610,400 to \$1,248,300 which includes \$130,000 (\$60,000 for the first unit, \$40,000 for the second unit and \$30,000 for the third unit) that must be paid to franchisor, or its affiliate(s), plus \$2,000 for a Corporate Guaranty Fee, if applicable.

The disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Franchisor at 559 S. Deseret Drive, Kaysville, UT 84037, or call (801) 725-3041.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. Information comparing franchisors is available. Call your state agency or your public library for sources of information. More information on franchising, such as “A Consumer's Guide to Buying a Franchise,” is available from the FTC. You can contact the FTC at 1-877-FTCHELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may be laws on franchising in your state. Ask your state agencies about them.

The issuance date: February 23, 2024

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Picklr Franchise in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Picklr Franchise franchisee?	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit E.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Utah. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Utah than in your own state.
2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
3. **Short Operating History.** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

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ITEM 1 THE FRANCHISOR, AND ANY PARENT, PREDECESSORS, AND AFFILIATES

To simplify the language in this Franchise Disclosure Document “**The Picklr**”, “**we**”, “**Franchisor**” means Picklr Franchise Inc. “**You**” or “**Franchisee**” means the person, corporation, partnership or other business entity that buys the franchise. “**You**” or “**Franchisee**” also means your owners if you are a business entity.

The Franchisor

Picklr Franchise Inc., is a Utah corporation company formed in February 28, 2023. Franchisor does not do business under any other name. Franchisor’s principal business address is 559 S. Deseret Drive, Kaysville, UT 84037. Franchisor began offering franchises for Picklr Franchise in March, 2023. Franchisor does not operate any Picklr Franchise, but Franchisor’s Affiliate does operate several Picklr centers similar to those that are franchised (“**Picklr Clubs**”). Franchisor does not conduct business in any other line of business, nor does Franchisor offer franchises in any other line of business.

Franchisor’s agent for service of process in Utah is Austin Wood at 559 S. Deseret Drive, Kaysville, UT 84037. Franchisor’s other agents for service of process are disclosed in **Exhibit F**.

Parent, Predecessor and Affiliates

Franchisor’s parent company is Picklr, Inc, a Delaware corporation (“**Picklr Parent**”), with a principal business address of 559 S. Deseret Drive, Kaysville, UT 84037. Picklr Parent does not conduct business similar to Franchisor, nor does Picklr Parent offer franchises in any line of business.

Franchisor has two predecessors: The Picklr, LLC, a Utah limited liability company, with a principal business address of 2242 Deere View Drive, Layton, UT 84040 and The Picklr 2, LLC, a Utah limited liability company, with a principal business address of 917 Country Hills Drive, Suite 1, South Ogden, UT 84403. In January 2023, The Picklr, LLC and The Picklr 2, LLC were merged into Picklr, Inc., which is Franchisor’s parent company. The Picklr, LLC and The Picklr 2, LLC still exist, but these predecessors do not conduct business similar to the Franchisor, nor do these affiliates offer franchises in any line of business. The Picklr, LLC is the current owner of the Marks. The Picklr, LLC has granted a license to Franchisor for the use of the Marks.

Franchisor has 3 affiliates (“**Affiliates**”), all of whom share the same principal business address as Franchisor. These affiliates are wholly-owned by Franchisor’s parent company, Picklr Parent. None of Franchisor’s Affiliates conduct business similar to Franchisor, nor do any of our Affiliates offer franchises in any line of business.

The Picklr Clubs, Inc., a Utah corporation, (“**Picklr Clubs**”) owns and operates six Picklr businesses, similar to those that Franchisor is offering in this franchise disclosure document (“**Franchise Disclosure Document**”).

The Picklr Shop, Inc., a Utah corporation, (“**Picklr Shop**”), is a supplier of products which Franchisee will resell in the pro shop located within the Picklr Facility (defined below).

Stack Athletics, Inc., a Utah corporation (“**Stack Athletics**”), is also a supplier, directly or indirectly, to Franchisee, of privately-branded products which Franchisee will resell in the pro shop located within the Picklr Franchise.

The Business

Each Picklr Franchise operates from a facility that Franchisee will construct or lease (“**Picklr Facility**”) offering premier indoor pickleball courts and an event center, including court reservations, leagues, tournaments, clinics, private/corporate events, pro shop, simple pre-packaged food and beverages (some facilities may sell alcoholic beverages) and sponsorships. Central to the Picklr Franchise is its innovative membership-based business model, focusing on delivering exceptional value and ensuring that every member feels valued and supported in their pickleball journey. To accommodate activities, the Picklr Facility must have an appropriate ceiling height and meet all local code and use requirements. Facilities that meet Franchisor’s requirements are typically located in light industrial areas, retail areas, strip malls, freestanding buildings, and major retail malls.

Franchisee must operate its Picklr Franchise per Franchisor’s standard business operating practices and sign Franchisor’s standard franchise agreement (“**Franchise Agreement**”).

Franchisee must provide specified services and sell specified products. The services include providing indoor activities for individuals, teams, families, children, teens and young adults including parties and other events, court reservations, leagues, tournaments, clinics, open play sessions, and other activities required by Franchisor (“**Services**”). The products include products related to the Services, paddles and balls, various food items, including alcoholic beverages, where Franchisor approves, equipment, apparel and other items (“**Products**”). Franchisor reserves the right to add, modify, or delete any Services or Products that Franchisee must offer or sell at its Picklr Franchise at any time at Franchisor’s discretion.

Franchisee must also obtain all necessary permits, licenses and approvals to operate its Picklr Franchise at the authorized Picklr Facility.

Franchisor offers one type of Franchise, which is available to those persons who meet Franchisor’s requirements, at Franchisor’s discretion, to operate a Picklr Franchise. Franchisee may operate one Picklr Franchise for each Franchise Agreement that Franchisee signs with Franchisor. (See ITEM 5). Franchisor also offers to select qualified persons the opportunity to acquire the right to develop multiple Picklr Franchises. Franchisor retains the right, in Franchisor’s discretion, to choose to award or not to award a Franchise to any prospective franchisee, and to cease discussions regarding the awarding of a Franchise at any time, regardless of the stage of the Franchise award process or the time and money spent by Franchisee or any other prospective franchisee.

If Franchisee is granted the right to enter into a Multi-Unit Development Agreement to open and operate more than one Picklr Franchise, Franchisee must sign a separate Franchise Agreement for each Picklr Franchise that Franchisee operates. Under the terms of the Multi-Unit Development Agreement, Franchisee agrees to open one or more Picklr Franchises within a particular development territory (“**Development Territory**”) according to a development schedule (“**Development Schedule**”). (See ITEM 5 regarding limitations of development rights.) Franchisee must sign a Franchise Agreement in the form attached to this Franchise Disclosure Document for Franchisee’s first Picklr Franchise when Franchisee signs the Multi-Unit Development Agreement. Franchisor will require Franchisee to sign its then-current form of Franchise Agreement for each subsequent Picklr Franchise that Franchisee develops under the Multi-Unit Development Agreement. Unless otherwise stated, any reference in this Franchise Disclosure Document to “**you**” or “**Franchisee**” includes Franchisee both as a Multi-Unit Developer under a Multi-Unit Development Agreement and as Franchisee under a Franchise Agreement. The terms of future franchise agreements may vary from the franchise offered under this Franchise Disclosure Document.

Regulations

Franchisor is not aware of any applicable laws specific to the operations of a Picklr Franchise, but Franchisee should investigate whether there are any regulations and requirements that may apply in the geographic area in which Franchisee is interested in locating its Picklr Franchise, and Franchisee should consider both their effect and the cost of compliance.

If Franchisee is authorized by Franchisor to sell alcoholic beverages at Franchisee's Picklr Franchise, Franchisee is responsible for complying with all applicable local, state and federal laws and regulations. The difficulty and cost of obtaining a liquor license and the procedures for securing the license vary greatly from area to area. There is also a wide variation in state and local laws and regulations that govern the sale of alcoholic beverages.

Franchisor requires Franchisee's compliance with all provisions of the USA Patriot Act and Executive Order 13224.

Industry-Specific Regulation

If Franchisee collects any information from its customers, it may contain personal information of individuals which is protected by law. Franchisee is responsible for complying with all applicable current and future federal, state and local laws, regulations and requirements, including all state consumer privacy acts (as applicable), pertaining to the collection, protection, use, sale, disposal and maintenance of such personal information. Personal information includes information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, potential consumer, individual or household, as such term may be further defined or amended by applicable federal, state and local laws, regulations and requirements. Franchisee may also be required to comply with opt-in or opt-out requirements on Franchisee's website, if Franchisee is authorized by Franchisor to develop its own website.

Market Competition

According to the Association of Pickleball Professionals, 36.75 million adult Americans played pickleball between August 2021 and August 2022. Franchisee will compete with other businesses offering courts for playing pickleball, particularly public outdoor courts and other indoor facilities. Picklr Facilities are not seasonal in nature.

ITEM 2 BUSINESS EXPERIENCE

Founder, Chief Executive Officer: Jorge Barragan

Mr. Barragan is a founder and has been Franchisor's Chief Executive Officer since March 2023 and Chief Executive Officer of our predecessor since January 2020. Prior to this, he was a Business Strategist for Sunwarrior in Washington Utah, from November 2019 to December 2020. From April 2018 to November 2019, Mr. Barragan was an Enterprise Account Executive for WeWork in Salt Lake City, Utah

Founder, Chief Visionary Officer: Austin Wood

Mr. Wood has been Franchisor's Chief Visionary Officer since January 2024. From March 2023 to December 2023, Mr. Wood was Franchisor's Chief Revenue Officer and Chief Revenue Officer of our

predecessor since November 2020. He served as the Vice President of Sales for Acquire Med LLC in Kaysville, Utah since November 2013.

Chief Growth Officer: Scott Schubiger

Mr. Schubiger has been our Chief Growth Officer since May 2023. He served as the Chief Growth Officer for Conscious Capital Growth in Scottsdale, Arizona from February 2022 to March 2023. Prior to this, he was the Chief Development Officer for Massage Heights in San Antonio, Texas from January 2021 to February 2022. Mr. Schubiger was also the Chief Development Officer for Lunchbox Wax in Boise, Idaho from February 2019 to January 2021. From September 2017 to February 2019, Mr. Schubiger served as the President of Sales Elevation Advisors in Morristown, New Jersey.

President & Chief Operating Officer: Jonathan Fornaci

Mr. Fornaci became Franchisor's President in January 2024. He has served, and continues to serve, as Franchisor's Chief Operating Officer since June 2023. He served as the Chief Financial Officer for Karma and Luck in Las Vegas, Nevada from February 2021 to June 2023. From September 2019 to January 2021, Mr. Fornaci was the Chief Operating Officer at Provectus, in Eugene, Oregon. Prior to that, Mr. Fornaci was the Chief Operating Officer at Faster Way, in Tampa, Florida from April 2019 to August 2019. From February 2015 to December 2018, he also served as the President and Chief Operating Officer of TruFusion, in Las Vegas, Nevada.

Chief Brand Officer: James Hurlock

Mr. Hurlock has been our Chief Brand Officer since May 2023. Prior to joining us, he served as the Chief Partnerships Officer of F45 Training in Delray Beach, Florida from January 2020 to November 2022. From March 2019 to January 2020 he was the National Sales Lead of the GetWell Network in Sydney Australia. Mr. Hurlock also served as the National Health Sector Lead for IQPC Australia, in Sydney Australia from June 2009 to March 2019.

Vice President of Franchise Operations: Whitney Burningham

Ms. Burningham has been our Vice President of Franchise Operations since July 2022. Prior to joining us, she served as a Licensed Clinical Social Worker at Canyon Home Care and Hospice in Murray, Utah from January 2018 to September 2022.

Chief Development Officer: Chris Walker

Mr. Walker has been Franchisor's Chief Development Officer since January 2024. From August 2023 to December 2023, he serves as Franchisor's Vice President of Real Estate. From January 2019 to December 2023, Mr. Walker was the Chief Revenue Officer and Co-Founder of Proper Seven, a revenue and marketing consulting agency. For the last 8 years, he has managed his family's real estate portfolio.

Vice President of Construction: Jason Bauerle

Mr. Bauerle has been our Vice President of Construction since February 2022. Prior to joining us, Mr. Bauerle served as the Vice President of Construction for Utah Court Surfacing in Layton, Utah from January 2016 to February 2023.

Sr. Vice President of Marketing: Kathryn Bullough

Ms. Bullough has been our Sr. Vice President of Marketing since September 2023. Prior to joining us, Ms. Bullough served as the Sr. Vice President of Marketing for Axon in Scottsdale, Arizona from September 2021 to January 2023 and as the Senior Director of Marketing, Brand Manager of Skullcandy in Park City, Utah from April 2015 to August 2021.

Sr. Director of Franchise Sales: David Fromal

Mr. Fromal has been our Sr. Director of Franchise Sales since December 2023. Prior to joining us, Mr. Fromal was the Sr. Director of Franchise Sales for Huntington Learning Center in Denver, Colorado from April 2023 to December 2023, the Sr. Director of Franchise Sales for Mathnasium in Denver, Colorado from April 2022 to March 2023 and the Sr. Director of Franchise Sales for Vertical Enterprises in Denver, Colorado from January 2019 to March 2022.

**ITEM 3
LITIGATION**

No litigation information is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

**ITEM 5
INITIAL FEES**

Single Unit Franchises

The initial franchise fee is \$60,000 (“**Initial Franchise Fee**”) and due when you sign the Franchise Agreement. The Initial Franchise Fee is deemed fully earned by Franchisor once fully paid and is non-refundable. This fee covers the cost of initial training for up to two persons. The training takes place in Kaysville, UT or another site that Franchisor determine.

As of the end of Franchisor's fiscal year end, Franchisor collected Initial Franchise Fees for single unit franchises in the aggregate amount of \$135,000.

Multi-Unit Developers

At Franchisor’s discretion, Franchisor may offer to qualified candidates a multiple unit development agreement (“**Multi-Unit Development Agreement**”), attached to this Franchise Disclosure Document, pursuant to which the multi-unit developer (“**Multi-Unit Developer**”) obtains the right to develop and operate a prescribed number of Picklr Franchises. When Multi-Unit Developer signs a Multi-Unit Development Agreement for the development of more than one Picklr Franchise, Franchisor will grant Franchisee the right to open and operate a mutually agreed upon number of Picklr Franchises in a specified Development Area in accordance with a specified Development Schedule.

As a Multi-Unit Developer, you must pay Franchisor an Initial Franchise Fee or a Development Franchise Fee for each Picklr Franchise to be developed as set forth in the Multi-Unit Development Agreement. Multi-Unit Developer will pay a multi-unit development fee (“**Multi-Unit Development Fee**”) as follows: \$60,000 for the first Picklr Franchise, \$40,000 for the second Picklr Franchise and the Multi-Unit Development Fee for three or more Picklr Franchises is \$30,000 each. By way of example only, if

Franchisor grants the rights to a Multi-Unit Developer to develop a total of three Picklr Franchises, the total Multi-Unit Development Fee is \$130,000. Multi-Unit Developer must pay the Multi-Unit Development Fee when Multi-Unit Development signs the Multi-Unit Development Agreement. The Multi-Unit Development Fee is fully earned at the time Multi-Unit Developer signs the Multi-Unit Development Agreement and is not refundable for any reason regardless of whether Multi-Unit Developer ultimately opens any or all of its required Picklr Franchises.

As of the end of Franchisor's fiscal year end, Franchisor collected Multi-Unit Development Fees in the aggregate amount of \$3,357,500.

ITEM 6 OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee [†]	7% of Gross Sales ⁽¹⁾	Due weekly on the Monday following the week in which the Gross Sales incurred	Payable by ACH.
Local Advertising Fund for advertising and related expenditures	The greater of 1% of each month's Gross Sales or \$1,500	Due monthly on the Monday following the week in which the Gross Sales incurred	Payable to Franchisor by ACH and expended for advertising in Franchisee's local trade area as Franchisor determines. The amount is subject to change upon prior notice to Franchisee.
National Marketing Fee [†]	A minimum of 2% of each month's of Gross Sales	Due weekly on the Monday following the week in which the Gross Sales incurred	Payable by ACH. May increase by 0.1% in any 12-month period, up to a maximum of 1% of Gross Sales, unless the Franchise Advisory Council (if formed) consents to a more rapid increase.
Regional and National Partnership and Sponsorship Management Fee [†]	\$950 monthly management fee for Franchisor and/or its Affiliate to manage, promote and sell regional and national partnerships and sponsorships at Franchisee's Picklr Facility	Due monthly by the 17 th of each month, commencing on the date the Picklr Franchise opens	Payable by ACH. Franchisor and/or its Affiliate will manage, sell and promote all partnerships and sponsorships. Franchisee will not engage in local, regional or national partnership and sponsorship activity without Franchisor's prior approval.
Training [†]	\$1,000 per person after the initial two persons attend training; plus transportation, lodging, meals and all other personal expenses for each trainee	As incurred	Initial training for up to two persons is included in the Initial Franchisee Fee. If Franchisee wishes for more than two persons to attend training or, in Franchisor's sole discretion, persons must attend additional training to be approved to work in the Picklr Franchise, the Franchisee will pay the training fee.

Type of Fee	Amount	Due Date	Remarks
QuickBooks Accounting Software and Integration Fee	QuickBooks License – Premier Accountant Edition (\$500 - \$1000 per year) or Enterprise Edition (\$2,000 - \$3,000 per year) a. QuickBooks Training - \$1,500 (one time) b. QuickBooks setup on Store Server - \$180 (one time) c. QuickBooks Support During Integration \$1,200 (one time) d. QuickBooks Beginning Balances \$1,000 (one time) e. Qvinci – \$209.95 (per year)	Before opening and as incurred	QuickBooks online software is required. Franchisee is required to obtain the Premier Accountant Edition or Enterprise Edition. Qvinci is an accounting platform that is an extension of the QuickBooks software and provides financial data consolidation, reporting, benchmarking and other business intelligence for a Picklr Franchise.
Software / Technology	\$0 - \$5,000	As incurred	Additional Software and Technology could include fees for Google GSuite, video surveillance, podium customer support, patch customer retention and website / app ongoing maintenance.
Technology Fee	\$995 per month commencing 90 days from opening of the Picklr Franchise	Due monthly by the 17 th of each month	The Technology Fee includes POS (currently PlaybyPoint), Bridge LMS, Picklr email, Podium, social media software, Canva, REVEL and Sound Track.
Printing / Graphic Design	\$0 - \$2,000	As incurred	Will depend upon size, number and type of design and printing is needed on an ongoing basis.
Fees for miscellaneous assistance	\$0 - \$3,000	As Incurred	Periodically, Franchisor may provide various types of assistance to Franchisee for which Franchisor may charge a fee. Types of charges and fees will be set forth in the Operations Manual.

Type of Fee	Amount	Due Date	Remarks
Indemnification	\$0 - \$1 million	As incurred	Franchisee must reimburse Franchisor if Franchisor is held liable for claims resulting from Franchisee's operations of its Picklr Franchise.
Costs and Attorneys' Fees	\$0 - \$50,000	As Incurred	Payable to Franchisor in the event of Franchisee's failure to comply with the Franchise Agreement, Operations Manual and other agreements governing the Picklr Franchise.
Interest on Late Payments [†]	Lesser of 18% per annum or maximum allowed by law	Payable immediately upon the due date	Payable immediately.
Audit Fee [†]	Cost of the audit plus the amount due because of the misreporting and a fine as set forth in the Operations Manual	Payable immediately upon completion of the audit	Payable to Franchisor if it is determined that you have understated the amount due by greater than 2% or if you obstruct or fail to cooperate with Franchisor's audit or if you fail to provide required financial statements and Franchisor performs an audit instead.
Franchise Transfer Fee [†]	50% of the then current Initial Franchise Fee	Payable upon Franchisee's request for a transfer	Payable only if Franchisee requests to transfer its Picklr Franchise to a third party.
Development Transfer Fee [†]	50% of the then current Initial Franchise Fee for each opened Picklr Franchise and \$2,500 for each unopened Picklr Facility to be transferred	Payable upon Franchisee's request for a transfer	Payable only if Multi-Unit Developer requests to transfer its unopened and/or opened units to a third party.
Successor Franchise Fee [†]	\$10,000	Upon execution of Franchisee's Successor Franchise Agreement	Payable only if Franchisee signs a Successor Franchise Agreement at the end of the initial term.
Corporate Guaranty Fee [†]	2% of gross revenue paid monthly for initial term and any extensions.	Monthly	See Item 5 for more information on the Corporate Guaranty fee

Type of Fee	Amount	Due Date	Remarks
Franchisee Meetings and/or Conferences	\$1,000 per meeting or conference	Within 30 days of receipt of invoice	If Franchisor hosts any local, regional and/or national meetings or conferences, we may charge you a registration fee.
Supplier/Product Inspection Fee [†]	\$0 - \$5,000	Payable upon request to consider	Due in advance of our consideration. Payable only if Franchisee requests a previously unapproved supplier be approved for use.

[†] Denotes fees which are imposed and payable to Franchisor or its Affiliates. All fees paid to Franchisor or its Affiliates are uniform and non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may or may not be refundable depending on the vendors and suppliers. Franchisor reserves the right to require Franchisee pay fees and other amounts due to Franchisor via electronic funds transfer or other similar means, as described in the Franchise Agreement. If payments are required in this method, Franchisee must comply with Franchisor's procedures and perform all acts and deliver and sign all documents, including authorization (in the form attached to the Franchise Agreement as **Attachment B** or any other form that Franchisor may accept) for direct debits from Franchisee's business bank operating account, which may be necessary to assist in or accomplish payment by this method. Under this procedure Franchisee authorizes Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to Franchisor and any interest that may be owing. Franchisee must make the funds available to Franchisor for withdrawal by electronic transfer no later than the payment due date.

(1) "Gross Sales" means the total of all receipts derived from all sales of Products and Services at Franchisee's Picklr Franchise, including sales made away from Franchisee's Picklr Facility, insurance claims for lost profits to the extent a claim is paid by the insurer, and all other Products sold and Services performed by or for Franchisee or Franchisee's Picklr Franchise or by means of the business conducted under the Picklr Franchise, whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, coupons, services, property or other means of exchange. Gross Sales does not include (a) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and in fact paid by Franchisee to the appropriate governmental authority; and (b) all customer refunds, valid discounts and coupons, and credits made by the Picklr Franchise (exclusions will not include any reductions for credit card user fees, returned checks or reserves for bad credit or doubtful accounts). Gross Sales shall be deemed received by Franchisee at the time the Services or Products from which they were derived are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer's personal check) actually has been received by Franchisee. Gross Sales consisting of property, Products or Services shall be valued at the retail prices applicable and in effect at the time that they are received.

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ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT
SINGLE UNIT

Type of Expenditure ⁽¹⁾	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee ⁽²⁾	\$60,000	\$60,000	Lump Sum	Upon signing the Franchise Agreement	Franchisor
Start-Up Advertising and Promotions Expense ⁽³⁾	\$25,000	\$35,000	As Incurred	As Required by Suppliers	Suppliers
Architecture and Design ⁽⁴⁾	\$10,000	\$12,000	As Incurred	As Required by Supplier(s)	Suppliers
Architect of Record ⁽⁴⁾	\$25,000	\$50,000	As Incurred	As Required by Supplier(s)	Suppliers
Leasehold Improvements ⁽⁴⁾	\$200,000	\$500,000	As Incurred	Before Opening	Suppliers
Insurance ⁽⁵⁾	\$3,000	\$6,000	Lump Sum	As Specified by Carrier	Insurer
POS Equipment, Software Licenses and Computer Systems ⁽⁶⁾	\$1,000	\$3,000	Lump Sum	As Required by Supplier(s)	Suppliers
Rent and Deposit ⁽⁷⁾	\$15,000	\$50,000	Lump Sum	As Required by Landlord	Landlord
Equipment and Installation ⁽⁸⁾	\$20,500	\$28,000	As Incurred	Before Opening	Contractors and Suppliers
Branding Installation ⁽⁹⁾	\$35,000	\$100,000	As Incurred	Before Opening	Contractors and Suppliers
Furnishings and Fixtures ⁽¹⁰⁾	\$35,000	\$85,000	Lump Sum	Before Opening	Suppliers
Signage ⁽¹¹⁾	\$2,500	\$10,000	Lump Sum	Before Opening	Suppliers
Digital Infrastructure ⁽¹²⁾	\$50,000	\$55,000	Lump Sum	Before Opening	Suppliers
Transportation/Freight ⁽¹³⁾	\$5,000	\$10,000	Lump Sum	Before Opening	Suppliers
Utility deposits and fees ⁽¹⁴⁾	\$100	\$3,500	As Incurred	As Required by Utility Company	Suppliers
Licenses and Permits ⁽¹⁵⁾	\$500	\$4,000	Lump Sum	As Required by Government Agencies	Government Agencies
Legal and Accounting ⁽¹⁶⁾	\$1,000	\$5,000	Lump Sum	Before Commencing and During Process	Attorney and Accountant
Travel and Wages for Initial Training ⁽¹⁷⁾	\$5,000	\$12,000	As Incurred	As Required by Suppliers	Suppliers
Opening Inventory ⁽¹⁸⁾	\$20,000	\$40,000	Lump Sum	Before Opening	Affiliates and Suppliers
Security System and Electronic Entry Access System ⁽¹⁹⁾	\$1,000	\$7,000	As Incurred	Before Opening	Suppliers

Type of Expenditure ⁽¹⁾	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is Made
Corporate Guaranty Fee ⁽²⁰⁾	\$0	\$2,000	As Incurred	As Incurred	Franchisor
Sinking Fund ⁽²¹⁾	\$800	\$800	Monthly Deposit	Monthly	Third Parties
Additional Funds (initial 3 months) ⁽²²⁾	\$25,000	\$100,000	As Incurred	During First 3 Months of Operations	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT ⁽²³⁾	\$540,400	\$1,178,300			

Notes:

- (1) The high and low ranges in the table are based on an average Picklr Franchise and on Franchisor's experience of developing seven Picklr Clubs. All estimated expenses are subject to change and Franchisor may update and change the requirements at any time in the Operations Manual. All fees imposed by Franchisor are non-refundable unless otherwise noted. (See ITEM 5). Fees and expenses paid to suppliers, vendors or other third parties may or may not be refundable depending on the arrangements Franchisee makes with them.
- (2) Initial Franchise Fee. The Initial Franchisee Fee is \$60,000 for the first Picklr Franchise that Franchisee opens. It is due when the Franchise Agreement is signed by Franchisee. This fee includes Franchisee's Initial Training Program for two people but excludes employee wages and compensation, travel, lodging, and meal expenses during such training.
- (3) Start-Up Advertising and Promotions Expense. This includes approximately \$9,500 for a portable rollout pickleball court ("The Picklr SportCourt™").
- (4) Architecture and Design, Architect of Record, Leasehold Improvements. These amounts are an estimate of the range of costs for leasehold improvements, architecture and design and retaining an architect of record. These costs will vary substantially based on local conditions, including the availability and prices of labor and materials and size of the building. These estimates assume that a landlord will provide a "vanilla shell" space which, at a minimum, includes concrete floors, demised walls, working HVAC, roof, and utilities stubbed to the premises sufficient for a Picklr Franchise. These costs could be substantially higher in certain markets and for certain sites. Franchisee should carefully investigate all costs in the area where Franchisee wishes to establish its Picklr Franchise. The previous tenant or the landlord may have already installed certain leasehold improvements that are compatible with Franchisor's specifications thus reducing certain costs. This estimate does not include any tenant improvement allowance Franchisee may receive from the landlord. This estimate does not include the costs of any necessary site development or site engineering work, nor does it include capitalized costs of rent or other occupancy costs, over either the life of the lease or the life of Franchisee's investment. These amounts do not include the purchase of a building or site on which a building would be built. Franchisor does have a recommended vendor, Lark Design Studios, for the layout and design of the Picklr Facility, for which Franchisee will contract with directly.
- (5) Insurance. Franchisee must purchase and at all times maintain in full force and effect insurance policies, in such amounts and on such terms, as prescribed in Item 8 and as may be modified in the Operations Manual. It is difficult to estimate the exact amount the insurance will cost because rates vary by the size of the premises, location of the premises, value of leasehold improvements, amount

of inventory, and amount of wages and other related conditions. The amounts stated are Franchisor's best estimate of the range of costs associated with insurance policies.

- (6) POS Equipment, Software Licenses and Computer Systems: Initial POS equipment, Software Licenses and Computer Systems will be required before commencing business operations. The amounts stated are Franchisor's best estimate of the range of costs.
- (7) Rent & Deposit. Franchisee will need a 10,000 to 45,000 square foot structure to adequately operate its Picklr Franchise. If Franchisee does not own a space that meets Franchisor's guidelines, Franchisee must lease space for its Picklr Franchise. Generally, this will require that Franchisee pay the first and the last month's rent, plus a security deposit, at the time Franchisee signs the Lease. Franchisor provides site selection guidelines and reserves the right to reject Franchisee's proposed Picklr Facility. In most cases, the business terms and conditions of all agreements relating to the lease, and alteration of the premises will be negotiated by Franchisee. Franchisor also requires that Franchisee incorporate certain legal provisions into Franchisee's lease. The amounts stated are Franchisor's best estimate of the range of costs for fees and security deposits.
- (8) Equipment and Installation. This includes the estimated cost to purchase and install equipment. This amount includes ball machines.
- (9) Branding Installation. This includes installation of all interior signs, millwork components, front counter, furniture and branding specifically for the Picklr Franchise; installation of the overhead sound baffling system, security system, sound system, AI pickleball system and other brand-specific components. Although not required to use Franchisor's vendors for branding installation, if Franchisee elects to use the Picklr Go Branding installation team, this cost will be between \$35,000-\$40,000.
- (10) Furnishings and Fixtures. Lights, nets, fencing and other supplies used for Picklr Franchise including cleaning and sanitation including a court cleaning machine); incident prevention and response; maintenance and upkeep; and office areas. The supply requirements may vary based on premises layout and pricing may vary based on vendors. The amounts stated are Franchisor's best estimate of the range of costs.
- (11) Signage. Franchisor provides the specifications associated with the signs and graphics and only those signs, graphics, and materials Franchisor authorizes will be permitted to be erected, posted, or distributed. At Franchisee's expense, Franchisee is responsible for the production and installation of signs and graphics and should do so in accordance with governmental and landlord requirements. The costs of fabricating and installing authorized signs and graphics can vary. All specified signs and graphics must be completed and properly erected and posted prior to commencing Franchisee's Picklr Franchise operations and signs and graphics must be maintained in a condition acceptable to Franchisor. The amounts stated are Franchisor's best estimate of the range of costs associated with printing and signage.
- (12) Digital Infrastructure. Franchisee is required to install digital signage platform through Revel, with speakers, cameras and Taylor-Winfield technology.
- (13) Transportation and Freight. Franchisee will pay transportation and freight charges on shipping equipment and supplies. This includes approximately \$6,000 to ship The Picklr SportCourt™.
- (14) Utility Deposits and Fees. Franchisee will setup and pay for utilities. Franchisee will incur certain costs and will likely be required to pay deposits. These amounts are Franchisor's best estimate of the range of costs associated with the deposits Franchisee may have to pay for utilities.

- (15) Licenses and Permits. Local, municipal, county and state regulations vary in relation to what licenses and permits are required to operate Franchisee's Picklr Franchise. Franchisor cannot estimate the cost to obtain a liquor license, if approved by Franchisor, since it varies greatly from jurisdiction to jurisdiction depending on the licensing activity involved and the local liquor license resale market, if any. Franchisee will obtain all licenses required for the service of beer, wine and alcohol at Picklr Franchise, if Franchisee serves alcohol. The amounts stated are Franchisor's best estimate of the range of costs associated with paying for licenses and permits before commencing business operations, excluding the cost of securing liquor license, if approved by Franchisor.
- (16) Legal and Accounting. Legal and accounting fees may vary depending on location, the firm Franchisee uses, and the amount of legal and accounting advice Franchisee receives. The amounts stated are Franchisor's best estimate of the range of costs associated with legal and accounting services necessary to commence business operations.
- (17) Travel and Wages for Initial Training. Up to two people are required to attend the Initial Training Program. Franchisee must pay for all out-of-pocket expenses for all trainees who attend. The expenses Franchisee is responsible to pay include employee wages and compensation, transportation, lodging, meals and all other personal expenses. These costs will vary due to the distance traveled, accommodations selected, restaurants selected, the distance between the hotel and the training center and the transportation selected. These amounts stated are Franchisor's best estimate of the range of costs associated with training expenses.
- (18) Opening Inventory. Initial inventory and base stocks for general operations and for resale of products at the pro shop, equipment, food and beverages and other inventory items used in Picklr Franchise. The amounts stated are Franchisor's best estimate of the range of costs associated with opening inventory. After the initial opening, monthly restocking of inventory, resale products, equipment, food and beverages will be approximately \$1,000 to \$5,000 depending upon how quickly the inventory is depleted.
- (19) Security System and Electronic Entry Access System. Franchisee will be required to purchase a security system and electronic entry access system for protection of Picklr Facility from theft, vandalism and other damages and to permit members, where offered, offer-hour entry.
- (20) Corporate Guaranty Fee. If Franchisor is a guarantor on the lease for Franchisee's Picklr Franchise, Franchisee will be required to pay Franchisor a quarterly Corporate Guaranty Fee equal to 2% of Gross Sales. If the landlord does not require a guaranty by the Franchisor or if Franchisor declines to provide a guaranty on the Franchisee's lease, the Corporate Guaranty Fee will not be charged.
- (21) Sinking Fund. The Sinking Fund will be a separate account from the Franchisee's general operating account and will only be used for updates and remodels to Picklr Facilities, replacement of flooring, lighting and other expenses exceeding \$5,000. The amount is Franchisor's best estimate of the monthly amount that should be preserved for future updates and remodels.
- (22) Additional Funds – initial three months. These amounts represent our estimate of the amount needed to cover your expenses, based on our experience of opening a Picklr Facility, for the initial three (3) months of operations of the Franchised Business. The additional funds include an estimate of the start-up costs such as pre-opening expenses including initial employee wages and benefits, recruitment, electricity, telephone, and other supplies.
- (23) Total Estimated Initial Investment. These figures are estimates only. Franchisee may incur additional expenses starting its Picklr Franchise.

YOUR ESTIMATED INITIAL INVESTMENT

MULTI-UNIT

(The following estimates are for a 3-Unit development)

Type of Expenditure ⁽¹⁾	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee ⁽²⁾	\$60,000	\$60,000	Lump Sum	Upon signing the Franchise Agreement	Franchisor
Multi-Unit Development Fee (3-unit purchase) ⁽²⁾	\$70,000	\$70,000	Lump Sum	Upon signing the Multi-Unit Development Agreement	Franchisor
Start-Up Advertising and Promotions Expense ⁽³⁾	\$25,000	\$35,000	As Incurred	As Required by Suppliers	Suppliers
Architecture and Design ⁽⁴⁾	\$10,000	\$12,000	As Incurred	As Required by Supplier(s)	Suppliers
Architect of Record ⁽⁴⁾	\$25,000	\$50,000	As Incurred	As Required by Supplier(s)	Suppliers
Leasehold Improvements ⁽⁴⁾	\$200,000	\$500,000	As Incurred	Before Opening	Suppliers
Insurance ⁽⁵⁾	\$3,000	\$6,000	Lump Sum	As Specified by Carrier	Insurer
POS Equipment, Software Licenses and Computer Systems ⁽⁶⁾	\$1,000	\$3,000	Lump Sum	As Required by Supplier(s)	Suppliers
Rent and Deposit ⁽⁷⁾	\$15,000	\$50,000	Lump Sum	As Required by Landlord	Landlord
Equipment and Installation ⁽⁸⁾	\$20,500	\$28,000	As Incurred	Before Opening	Contractors and Suppliers
Branding Installation ⁽⁹⁾	\$35,000	\$100,000	As Incurred	Before Opening	Contractors and Suppliers
Furnishings and Fixtures ⁽¹⁰⁾	\$35,000	\$85,000	Lump Sum	Before Opening	Suppliers
Signage ⁽¹¹⁾	\$2,500	\$10,000	Lump Sum	Before Opening	Suppliers
Digital Infrastructure ⁽¹²⁾	\$50,000	\$55,000	Lump Sum	Before Opening	Suppliers
Transportation/Freight ⁽¹³⁾	\$5,000	\$10,000	Lump Sum	Before Opening	Suppliers
Utility deposits and fees ⁽¹⁴⁾	\$100	\$3,500	As Incurred	As Required by Utility Company	Suppliers
Licenses and Permits ⁽¹⁵⁾	\$500	\$4,000	Lump Sum	As Required by Government Agencies	Government Agencies
Legal and Accounting ⁽¹⁶⁾	\$1,000	\$5,000	Lump Sum	Before Commencing and During Process	Attorney and Accountant
Travel and Wages for Initial Training ⁽¹⁷⁾	\$5,000	\$12,000	As Incurred	As Required by Suppliers	Suppliers

Type of Expenditure ⁽¹⁾	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is Made
Opening Inventory ⁽¹⁸⁾	\$20,000	\$40,000	Lump Sum	Before Opening	Affiliates and Suppliers
Security System and Electronic Entry Access System ⁽¹⁹⁾	\$1,000	\$7,000	As Incurred	Before Opening	Suppliers
Corporate Guaranty Fee ⁽²⁰⁾	\$0	\$2,000	As Incurred	As Incurred	Franchisor
Sinking Fund ⁽²¹⁾	\$800	\$800	Monthly Deposit	Monthly	Third Parties
Additional Funds (initial 3 months) ⁽²²⁾	\$25,000	\$100,000	As Incurred	During First 3 Months of Operations	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT ⁽²³⁾	\$610,400	\$1,248,300			

- (1) The high and low ranges in the table are based on an average Picklr Franchise and on Franchisor's experience of developing seven Picklr Clubs. All estimated expenses are subject to change and Franchisor may update and change the requirements at any time in the Operations Manual. All fees imposed by Franchisor are non-refundable unless otherwise noted. (See ITEM 5). Fees and expenses paid to suppliers, vendors or other third parties may or may not be refundable depending on the arrangements Franchisee makes with them.
- (2) Initial Franchise Fee. The Initial Franchisee Fee is \$60,000 for the first Picklr Franchise that Franchisee opens. It is due when the Franchise Agreement is signed by Franchisee. This fee includes Franchisee's Initial Training Program for two people but excludes employee wages and compensation, travel, lodging, and meal expenses during such training.
- (3) Start-Up Advertising and Promotions Expense. This includes approximately \$9,500 for a portable rollout pickleball court ("The Picklr SportCourt™").
- (4) Architecture and Design, Architect of Record, Leasehold Improvements. These amounts are an estimate of the range of costs for leasehold improvements, architecture and design and retaining an architect of record. These costs will vary substantially based on local conditions, including the availability and prices of labor and materials and size of the building. These estimates assume that a landlord will provide a "vanilla shell" space which, at a minimum, includes concrete floors, demised walls, working HVAC, roof, and utilities stubbed to the premises sufficient for a Picklr Franchise. These costs could be substantially higher in certain markets and for certain sites. Franchisee should carefully investigate all costs in the area where Franchisee wishes to establish its Picklr Franchise. The previous tenant or the landlord may have already installed certain leasehold improvements that are compatible with Franchisor's specifications thus reducing certain costs. This estimate does not include any tenant improvement allowance Franchisee may receive from the landlord. This estimate does not include the costs of any necessary site development or site engineering work, nor does it include capitalized costs of rent or other occupancy costs, over either the life of the lease or the life of Franchisee's investment. These amounts do not include the purchase of a building or site on which a building would be built. Franchisor does have a recommended vendor, Lark Design Studios, for the layout and design of the Picklr Facility, for which Franchisee will contract with directly.

Preview ends here

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